## Message Text

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ACTION EB-07

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FM AMEMBASSY MOSCOW TO SECSTATE WASHDC 2145 INFO USDOC WASHDC

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E.O. 11652: N/A TAGS: BGEN, UR

SUBJECT: BUSINESS FACILITATION IN MOSCOW

USDOC FOR BEWT/DOWNEY

**REF: STATE 160334** 

1. ON BASIS EMBASSY RECORDS AND CHECKS WITH STATE COMMITTEE FOR SCIENCE AND TECHNOLOGY (SCST) AND MINISTRY FOREIGN TRADE (MFT), FOLLOWING IS CURRENT STATUS REQUESTS FOR ACCREDITATION:

A. MFT:

- 1. CHEMICO REQUEST FOR ACCREDITATION WAS MADE SHORTLY AFTER JUNE '74 SIGNING OF AMMONIA DEAL, BUT CHEMICO MANAGEMENT NOW DIVIDED ON VALUE OF ACTUALLY OPENING MOSCOW OFFICE AND THUS HAS NOT PUSHED MFT ON APPLICATION;
- 2. KOPPERS CO. MFT ADVISES KOPPERS HAS SUBMITTED APPLICATION BUT EMBASSY DOES NOT HAVE FURTHER DETAILS;
- 3. INGERSOLL ACCORDING TO MFT, FIRM'S APPLICATION NOT PROPERLY FILED AND THUS THIS NOT CONSIDERED FORMAL REQUEST.
- B. SCST:
- 1. BURROUGHS APPLICATION SUBMITTED NOVEMBER '74, LIMITED OFFICIAL USE

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BUT ACCREDITATION HAS BECOME SUBJECT OF "LINKAGE" DISPUTE

BETWEEN FIRM AND SCST, WITH BURROUGHS DEMANDING FORMAL ACCREDITATION PRIOR TO SALE OF MAJOR COMPUTER SYSTEM TO SOVIETS AND SCST INSISTING ON PRIOR DELIVERY OF SYSTEM;

- 2. WESTINGHOUSE APPLICATION SUBMITTED MAY '74, AND SCST HAS BEEN PROMISING IMMINENT APPROVAL FOR PAST SIX MONTHS;
- 3. BROWN AND ROOT ACCORDING TO SCST FIRM WAS GRANTED ACCREDITATION ABOUT TWO MONTHS AGO, BUT REPRESENTATIVE (ROBERT SIROTTA) HAS NOT YET TAKEN UP RESIDENCE IN MOSCOW. (COMMENT: EMBASSY WAS NOT AWARE OF BROWN AND ROOT ACCREDITATION. THIS WOULD BE FIRST APPROVAL TO AMERICAN FIRM SINCE NOVEMBER 1974. END COMMENT)

## C. GOSBANK:

WHILE EMBASSY HAS UNDERSTOOD FOR MORE THAN A YEAR THAT BOTH BANKER'S TRUST AND CONTINENTAL ILLINOIS WERE INTERESTED IN ACCREDITATION FOR MOSCOW OFFICES, IT APPEARS THAT NEITHER HAS FILED FORMAL APPLICATION WITH GOSBANK.

- 2. EMBASSY NOT AWARE STATUS OF ALLIS-CHALMERS' REQUEST FOR ACCREDITATION, AND NEITHER SCST NOR MFT MENTIONED FIRM IN RESPONSE OUR QUERY.
- 3. EMBASSY HAS REVIEWED INFO IN MOSCOW 4108 WITH US COMPANY REPS AND FOLLOWING IS UP-DATE KEYED TO THAT REPORT:
- A. ARTHUR ANDERSEN (PARA 6) CONTRACT FOR APARTMENT AT SERPUKHOVSKIY VAL SIGNED APRIL 18 AND OCCUPANCY EXPECTED BY AUGUST 1.
- B. AMERICAN EXPRESS (PARA 8) CONTRACT FOR APARTMENT SIGNED END-MAY.
- C. PULLMAN (PARA 11) FIRM HAS RECEIVED REQUESTED THIRD APARTMENT
- D. SATRA (PARA 12) WITH REPLACEMENT OFUK NATIONAL BRUNT BY US CITIZEN CARL LONGLEY, JR. AS COPANY REP, QUESTION OF LIMITED OFFICIAL USE

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ACCREDITATION OF THIRD COUNTRY NATIONAL NO LONGER RELEVANT.

- E. HONEYWELL (PARA 14) TEMPORARY OFFICE INHOTEL INTOURIST HAS FINALLY BEEN GRANTED.
- F. IBM (PARA 16) CONTRACT FOR TWO APARTMENTS IN SERPUKHOVSKIY VAL SIGNED END-APRIL.

- G. HEWLERL-PACKARD (PARA 18) CONTRACT FOR APARTMENT AT SERPUKHOVSKIY VAL SIGNED MAY '75.
- H. DUPONT (PARA 19) CONTRACT FOR APARTMENT AT SERPUKHOVSKIY VAL SIGNED IN JUNE; APPROVAL RECEIVED FOR TEMPORARY USE OF FORMER GE OFFICE IN METROPOL.
- 4. COMPLETION OF CURRENT REMODELING OF SERPUKHOVSKIY VAL APARTMENTS WILL EASE HOUSING PROBLEM FOR ACCREDITED FIRMS. WHEN RENOVATION OF POKROVSKIY BULVAR OFFICE BUILDING COMPLETED (PROBABLY THIS FALL) THIS WILL ALSO ALLEVIATE OFFICE PROBLEMS FOR SEVERAL MORE FIRMS. (HOTEL ROSSIYA TRIED RECENTLY TO EVICT ENGELHARD FROM OFFICE/APARTMENT DUE TO SPACE DEMANDS. ALTHOUGH MFT PROTOCOL SECTION SUCCESSFULLY INTERVENED IN ENGELHARD'S BEHALF -- AN ENCOURAGING SIGN -- INCIDENT POINTS UP FIRMS' TENUOUS HOLD ON THESE TEMPORARY HOTEL OFFICES.)
- 5. CUSTOMS PROBLEMS ENUMERATED IN MOSCOW 4108 AND 4139 CONTINUE, BUT US REPS HAVE MET AS GROUP WITH SOVIET CUSTOMS OFFICIAL TO TRY TO GET CLARIFICATION OF REGULATIONS.
- 6. PROBLEM OF HOTEL ACCOMMODATIONS FOR VISITING COMPANY REPS HAS GOTTEN EVEN WORSE AS TOURIST SEASON PEAKS. INTOURIST HAS NOT YET AGREED TO AMEXCO PLAN FOR GUARANTEED BLOCK OF ROOMS (SEE MOSCOW 4176).

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